Statement by
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On behalf of the Group II African Countries
This written statement on behalf of the Africa Group II Constituency addresses the topics appearing on the Development Committee’s agenda, namely: (1) WBG Financing for Green, Resilient and Inclusive Development - Towards A Post-Pandemic Approach; (2) Prevention, Preparedness, and Response: The WBG’s Role in Future Crises; (3) 2020 Shareholding Review: Concluding Report to Governors at the Annual Meetings 2021; and (4) IDA Voting Rights Review: Report to Governors, Annual Meetings 2021.

WBG Financing for Green, Resilient and Inclusive Development - Towards a Post-Pandemic Approach

We wish to thank the staff of the World Bank Group (WBG) for the quality of this paper, which underscores the unprecedented support that the WBG has been providing to developing countries since the start of the COVID-19 pandemic in April 2020. We welcome these efforts that have provided the resources needed to ramp up our interventions and address the socioeconomic consequences of the crisis.

We wholeheartedly endorse the approach proposed by the World Bank Group to scale up its support for a green, resilient, and inclusive recovery. The current climate challenges underscore the need to build back better in order to combat droughts and floods that lead in particular to the forced displacement of populations and food insecurity. Estimates of the UN Refugee Agency show that the Sahel region is already bearing the full brunt of the harmful effects of climate change. The World Bank projects that the number of inhabitants in this region will double over the next 20 to 30 years, while productivity in the area is expected to decline by between 30 and 40 percent. The stakes are equally high for the small island states in our constituency. The Africa region, which contributes the least to global warming, accounting for roughly 2 to 3 percent of the world’s carbon dioxide emissions, is, however, the region that is most vulnerable and hardest hit by climate hazards.

This situation is exacerbated by the grave consequences of the pandemic that has pushed more than 30 million Africans into extreme poverty in 2020, even as the crisis persists and the outlook for the economic recovery that is expected to turn this situation around remains uncertain. Poor and vulnerable populations, who are already exposed to the risks of climate change impacts, should not be the ones to also suffer the negative consequences of the actions taken to address this scourge. We are therefore calling for the GRID agenda to be implemented using a fair and equitable approach that is in line with the Paris Agreement on climate change and national development priorities. In this respect, the World Bank Group must remain flexible in its collaboration with countries, ensuring that the specific needs of each country are fully and properly taken into account.

In particular, we encourage the World Bank Group to adopt a differentiated GRID approach for the poorest and most vulnerable countries, with a view to aligning climate action with development objectives that include energy security, employment, and economic transformation. In this regard, we recommend that the World Bank Group ensure effective coordination of support to countries by balancing mitigation and
adaptation measures, appropriate technologies, and the financing required for an energy transition based on an energy mix, including natural gas, which a number of advanced economies are incorporating into their ecological transition plan. It is equally crucial to ensure that the implementation of the GRID agenda does not lead to job losses or jeopardize the ability of developing countries to meet their ever-growing energy needs, owing primarily to requirements related to industrialization, digitalization of economies, and the need to expand energy access to populations without this resource.

Furthermore, we believe that climate transitions in developing countries will be costly and that these countries will need international assistance, including more substantial concessional financing for low-income countries with considerable climate mitigation and adaptation needs. We call on the World Bank to contribute to investments that it estimates will cost US$4 trillion per year up to 2030 to build climate-smart infrastructure in developing countries. We wish to issue the same call to the United Nations Environment Programme, which puts annual adaptation costs for developing countries at US$70 billion, with the expectation that this figure could rise to between US$140 billion and US$300 billion in 2030. We urge the entire international community to come together to meet these investment needs that exceed the funding currently earmarked for strengthening health systems to combat the pandemic and are equally critical for an effective and sustained recovery.

We therefore call on the international community to demonstrate solidarity and step up its efforts to help low-income countries implement the GRID approach, in particular by delivering on its pledge to provide US$100 billion annually in climate financing and making up ground lost since 2020. In view of the alignment of IDA20 priorities with the GRID agenda, we wish to advocate for a more robust IDA20 replenishment than the IDA19 replenishment process in order to help countries build greener and more resilient and inclusive economies. We believe that it is important for IDA to mobilize adequate financing in order to have a catalytic effect, including by innovating to optimize its balance sheet, and thus significantly increase the volume of investments needed for successful implementation.

We are of the view that the international community should continue to provide sustained, substantial support to both the public and private sectors. To maximize concessional financing and avoid increasing the debt burden of low-income countries, we urge the World Bank Group to support countries in mobilizing domestic resources and private capital, including through the digitalization of processes and procedures, and by helping them improve their policies, institutions, instruments and regulations, develop their capital markets, combat tax evasion, and track illicit financial flows.

There is an equally urgent need to scale up investment in developing and strengthening human and social capital, and health, education, and digital systems and infrastructure in order to support investments aimed at addressing climate change and pave the way to sustainably reduce poverty and inequality. Only in this way can we ensure that the GRID agenda not only remains green but resilient and inclusive as well!

Prevention, Preparedness, and Response: The WBG’s Role in Future Crises

We commend the staff of the World Bank Group (WBG) for this report that clearly sets out how the WBG intends to leverage its unprecedented response to the COVID-19 pandemic and the lessons learned from past experiences to help countries manage future crises. We believe that an appropriate level of focus has been placed on prevention and preparedness. The frequency and multidimensional nature of global crises remind us of the need to strengthen these two areas.

In our view, one of the key lessons learned from the current COVID-19 crisis is that solutions to prevent and mitigate crises should not be sought during a crisis. This process should instead be part of an integrated and flexible framework that provides ex ante prevention measures and ex post responses that can be tailored to the specific crisis. We therefore agree that the WBG should implement this approach in a robust and lasting manner. We recommend that the instruments and tools being used to combat the COVID-19 pandemic be continuously enhanced and adapted in order to effectively respond to future crises, including technical assistance, investment projects, and development policy operations.
We are pleased to note that the future directions of the World Bank Group in crisis management involve broad-based coordination of policy actions at both the global and regional levels, through more robust partnerships, including with the private sector. To that end, we strongly support IFC’s goal to develop innovative investment platforms in order to mobilize more private capital. Successive and recurring crises have shown that coordination with all stakeholders is essential to leverage shared knowledge, experience, and available resources, and produce transformative results. In view of its exceptional convening power, the World Bank Group is the institution best placed to lead this effort.

We are mindful of the fact that the current health and economic crisis is not yet over. Owing to the unequal access to COVID-19 vaccines, a two-speed global economic recovery is expected in 2021, and developing economies are projected to fall even further behind advanced economies that will accelerate their growth. Current figures are disturbing: less than 4 percent of Africa’s population is fully vaccinated, compared to over 50 percent in Europe. It is high time for the international community to come together to correct this imbalance, which has disastrous implications and consequences for all. We call for greater unity, solidarity, and multilateralism on this issue, while recognizing the WB’s role in expanding access to vaccines. We must find a solution very quickly that will make a difference, especially by making vaccine doses available to all and sharing them with those in need through joint, coordinated global action and greater transparency in planning. We also support the WB’s efforts to accelerate the production of COVID vaccines on our continent and call for geographic balance for the selection of sites and the related investment financing. Above all, we must not miss the global target of vaccinating at least 40 percent of the population of each country by the end of 2021 and hopefully ending the COVID-19 pandemic as soon as possible.

2020 Shareholding Review: Concluding Report to Governors at the Annual Meetings 2021

We express our appreciation to the Management of the World Bank and the Chair of COGAM for the fruitful discussions held during the course of the IBRD and IFC shareholding review. We consider the concluding report submitted to the Governors at the 2021 Annual Meetings to be well-balanced. The report accurately reflects the content of the discussions, including the options explored to achieve a better balance of voting power. We reaffirm our support for the Lima Principles and the protection of small countries from dilution of their voting power.

We are, in particular, pleased with the progress made with the IFC shareholding review. We agree on the importance of establishing a benchmark for future reviews that is simple, transparent, and based on available data and, at the same time, adopting an incremental approach and avoiding options that can weaken the already under-represented members.

Based on the foregoing, we join with the other members the IBRD and IFC Boards in unanimously supporting the recommendation to finalize the IBRD and IFC shareholding review with no adjustment and to conduct the next review in 2025.

IDA Voting Rights Review: Report to Governors, Annual Meetings 2021

We express our appreciation to the Management of IDA and the Chair of COGAM for the excellent work done on the IDA voting rights review. We are especially pleased with the commitment and flexibility shown by the Executive Directors as well as the willingness of Management to consult the Board on a regular basis. Owing to this collaborative work, the IDA Board successfully concluded IDA’s voting rights review ahead of the 2021 Annual Meetings, as requested by the Governors. It bears noting that this is the very first successful IDA voting rights review since the idea was put forward at IDA03.

We consider the proposed report to be well-structured and express our agreement with its scope and content. In particular, we appreciate the fact that the report accurately reflects the context of the review, its principles and objectives, as well as the different measures adopted. We also agree with the key elements of the new voting rights framework as well as its outcome, in particular the agreement to increase the combined voting
power of Recipients to 20.5 percent as well as 100 percent Grandfathering for all transitioning members under the new framework.

In light of the foregoing, we join with the other members of the IDA Board in unanimously supporting the recommendation made to the Governors to approve the report on the IDA voting rights review at the 2021 Annual Meetings.

We note IDA’s missed opportunity to further improve the IDA governance structure and the voice and representation of IDA recipient countries through an agreement that grants these countries a 25 percent rather than a 20.5 percent increase in their voting power. This review is nevertheless historic in several respects and, as such, we can only hope for an IDA20 replenishment that is equally historic and ambitious.